

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION**

In re:)	
)	Chapter 11 (Joint Administration)
SD-Charlotte, LLC, <i>et al.</i> , ¹)	
)	Case No. 20-30149
Debtors.)	
)	
)	

SUPPLEMENTAL NOTICE OF ASSUMPTION AND ASSIGNMENT

PLEASE TAKE NOTICE OF THE FOLLOWING:

1. On March 6, 2020, the United States Bankruptcy Court for the Western District of North Carolina (the “Bankruptcy Court”) entered an order (the “Bidding Procedures Order”),² pursuant to sections 105(a), 363, 365, 503, 506 and 507 of title 11 of the United States Code (the “Bankruptcy Code”), rules 2002, 6004 and 6006 of the Federal Rules of Bankruptcy, in the chapter 11 cases of SD-Charlotte, LLC, RTHT Investments, LLC, SD Restaurant Group, LLC, SD-Missouri, LLC and Southern Deli Holdings, LLC (the “Debtors”) approving, among other things, the fixing of cure amounts (the “Cure Amounts”) related to the Debtors’ potential assumption, assignment and/or transfer of certain executory contracts, unexpired leases, and other agreements (the “Executory Contracts and Unexpired Leases”) listed on **Exhibit A** annexed hereto in connection with the sale (the “Sale”) of certain of the Debtor’s assets (the “Assets”). The Debtors may assume, assign, and/or transfer the Executory Contracts and Unexpired Leases to the Successful Bidder or Back-Up Bidder for the Assets under the bidding procedures (the “Bidding Procedures”) approved by the Bankruptcy Court and attached to the Bidding Procedures Order as Exhibit 1. A hearing to consider approval of the Sale of the Assets to a Successful Bidder or Back-Up Bidder free and clear of all liens, claims and encumbrances will be held before the Honorable Laura T. Beyer in the United States Bankruptcy Court for the Western District of North Carolina, 401 West Trade Street Charlotte, NC 28202 on **April 8, 2020 at 10:00 a.m. (EDT)**, or at such other time thereafter as counsel may be heard (the “Sale Hearing”).

¹The Debtors, together with the last four digits of each Debtor’s federal tax identification number, are: SD-Charlotte, LLC (7237); RTHT Investments, LLC (2540); SD Restaurant Group, LLC (0331); SD-Missouri, LLC (8294) and Southern Deli Holdings, LLC (9425).

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Bidding Procedures Order.

2. On March 6, 2020, the Debtors filed and served the initial Notice of Assumption and Assignment on the parties on **Exhibit A** [Doc. No. 199] (the “Initial Notice”).

3. **You are receiving this supplemental notice because you may be a counterparty to an Executory Contract or Unexpired Lease of the Debtors that potentially could be assumed and assigned to the Successful Bidder in connection with the Sale.**

4. Pursuant to the Bidding Procedures Order, the Debtors have the right to supplement or amend **Exhibit A** to the Initial Notice as the proposed Cure Amounts are reconciled or agreed with counterparties to an Executory Contract or Unexpired Lease. Attached hereto is the amended **Exhibit A** for certain reconciled or amended Executory Contracts or Unexpired Leases that have been amended. This supplement notice shall be filed and served on all affected parties.

5. The Debtors' proposed Cure Amounts may not reflect negotiated settlements or payments made pursuant to first-day orders that would reduce the proposed Cure Amounts. The Debtors are in the process of reconciling these numbers and reserve the right to amend the proposed cure amounts at any time, before or after the Cure/Assignment Objection Deadline. If the Debtors determine that the proposed Cure Amounts set forth in **Exhibit A** include any amounts previously paid, the proposed Cure Amounts will be adjusted to eliminate such amounts and the Debtors will serve a further revised notice setting forth updated proposed Cure Amounts to the applicable counterparties as soon as reasonably practicable following the determination that an adjustment is required. In the event that the proposed Cure Amounts in **Exhibit A** are amended, the notice filed later in time shall govern and supersede the earlier notice with respect to such modified amounts.

CURE AMOUNTS

6. Any objections to (i) the assumption, assignment and/or transfer of an Executory Contract or Unexpired Lease; or (ii) the amount asserted as the Cure Amount (each, a “Cure Amount/Assignment Objection”), must be in writing and shall set forth the cure amount being claimed by the objecting party, the dates and corresponding amounts of the alleged defaults by the Debtors, and a brief statement of any and all other grounds for objection to assumption and assignment. If a Cure Amount/Assignment Objection is timely filed, the Debtors, with the approval of the Successful Bidder, may resolve any Cure Objection by mutual agreement with the objecting counterparty to any Executory Contract or Unexpired Lease without further order of the Court. In the event that the Debtors, the Successful Bidder and any objecting party are unable to consensually resolve any Cure Objection prior to the Sale Hearing, the Debtors shall request that the Court resolve such Cure Amount/Assignment Objection at the Sale Hearing.

7. Unless the Cure Amount/Assignment Objection is timely filed and served, the assumption, assignment and/or transfer of the applicable Executory Contracts and Unexpired Leases will proceed without further notice at the Sale Hearing.

8. Parties that fail to file and serve timely Cure Amount/Assignment Objections shall (i) be forever barred from objecting to the Cure Amount and from asserting any additional cure or other amounts with respect to such Executory Contract or Unexpired Lease and the Debtors shall be entitled to rely solely upon the Cure Amount listed on **Exhibit A**; and (ii) subject to the procedures for objecting to adequate assurance of future performance as set forth below, be deemed to have consented to the assumption, assignment and/or transfer of such Executory Contract or Unexpired Lease to the Successful Bidder or Back-Up Bidder and shall be forever barred and estopped from asserting or claiming against the Debtors, the Successful Bidder or Back-Up Bidder, in relation to this sale, that any additional amounts are due or defaults exist, or additional conditions to assumption, assignment and/or transfer must be satisfied, under such Executory Contract or Unexpired Lease.

9. If no Cure Amounts are due under an Executory Contract or Unexpired Lease, or if the non-Debtor Party agrees to the Cure Amounts listed on **Exhibit A** hereto, and the non-Debtor party to the Executory Contract or Unexpired Lease does not otherwise object to the Debtors' assumption, assignment and/or transfer of the Executory Contract or Unexpired Lease, no further action needs to be taken on the part of that non-Debtor party.

10. To be considered a timely Cure Amount/Assignment Objection, the Cure Amount/Assignment Objection must be filed with the Bankruptcy Court and served upon the following parties by no later than the earlier of (x) fourteen (14) days after service of the Notice of Assumption and Assignment; and (y) **March 23, 2020, at 12:00 p.m. (EDT)** (the "**Cure/Assignment Objection Deadline**"): (i) counsel for the Debtors, Moore & Van Allen, PLLC, 100 North Tryon Street, Suite 4700, Charlotte, NC 28202 (Attn: Zachary H. Smith, Esq.); (ii) counsel for the DIP Lender and Stalking Horse Bidder, DLA Piper LLP, One Atlantic Center 1201 West Peachtree Street, Suite 2800, Atlanta, Georgia 30309-3450 (Attn: Daniel M. Simon) and Robinson, Bradshaw & Hinson, P.A., 101 N. Tryon St., Suite 1900, Charlotte, NC 28246 (Attn: David M. Schilli); (iii) counsel for the Prepetition Secured Lender, Lazer, Aptheker, Rosella & Yedid PC, Melville Law Center, 225 Old Country Road, Melville, NY 11747 (Attn: Jennifer L. Silvestro) and Grier Wright Martinez, PA, 521 E. Morehead Street, Suite 440, Charlotte, NC 28202 (Attn: A. Cotten Wright) (collectively, the "**Objection Notice Parties**").

11. Any objection (the "**Stalking Horse Adequate Assurance Objection**") concerning whether the Stalking Horse Bidder can provide adequate assurance of future performance as required by section 365 of the Bankruptcy Code must be in writing and set forth with specificity the nature of the objection. To be considered a timely Stalking Horse Adequate Assurance Objection, the Stalking Horse Adequate Assurance Objection must be filed with the Bankruptcy Court and served upon the Objection Notice Parties by no later than the later of (i) **April 6, 2020 at 4:00 p.m. (EDT)** and (ii) three business days prior to the Sale Hearing.

12. An entity other than the Stalking Horse Bidder may be selected as the Successful Bidder(s) or Back-Up Bidder(s) at the Auction. The non-Debtor counterparty to any Executory Contract or Unexpired Lease wishing to know the identities of all Qualified Bidders (and therefore potential Successful Bidders(s)), and the actual

Successful Bidder, prior to the Sale Hearing, may provide such non-Debtor counterparty's email address or fax number to Debtors' counsel (at the contact information provided below) prior to the Bid Deadline. All such parties who provide an email address or fax number to Debtors' counsel as provided in the immediately preceding sentence (i) will be emailed by Debtors' counsel the identities of all Qualified Bidders the day after the Bid Deadline; and (ii) if they wish, may request prior to the Auction copies from Debtors' counsel of the adequate assurance information submitted to the Debtors by any Qualified Bidder (which information shall be provided subject to such non-Debtor counterparty's entry into a confidentiality agreement acceptable to such Qualified Bidder). All such non-Debtors counterparties who provide an email address or fax number to Debtors' counsel in accordance with the foregoing will be notified of the Successful Bidder by email from Debtors' counsel promptly (and by no later than one (1) business day) after the Auction concludes. If the Stalking Horse Bidder is not the Successful Bidder, then any objection by non-Debtor parties to the assigned Executory Contracts and Unexpired Leases solely concerning the issue of whether the Successful Bidder can provide adequate assurance of future performance as required by section 365 of the Bankruptcy Code may be raised at the Sale Hearing.

13. The Successful Bidder(s) or the Back-Up Bidder(s), as the case may be, may determine to exclude any Executory Contract or Unexpired Lease from the list of Executory Contracts and Unexpired Leases proposed to be assumed and assigned under the Purchase Agreement or Stalking Horse Agreement through the Closing Date; provided, however, the non-Debtor party or parties to any such excluded contract or lease will be notified of such exclusion by written notice mailed within two (2) business days of such determination and the Debtors will file a notice of such determination with the Court.

14. The Debtors' decision to sell, assign and/or transfer to the Successful Bidder(s) or Back-Up Bidder(s) the Executory Contracts and Unexpired Leases is subject to Court approval and the closing of the Sale. Accordingly, absent such closing, the Executory Contracts and Unexpired Leases shall not be deemed to be sold, assigned and/or transferred, and shall in all respects be subject to further administration under the Bankruptcy Code. The inclusion of any document on the list of Executory Contracts and Unexpired Leases shall not constitute or be deemed to be a determination or admission that such document is, in fact, an executory contract or unexpired lease within the meaning of the Bankruptcy Code (all rights with respect thereto being expressly reserved). Nor shall the inclusion of any document constitute an admission of liability by the Debtors or their estates.

Dated: March 20, 2020

MOORE & VAN ALLEN PLLC

/s/ Hillary B. Crabtree

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Counsel to the Debtors and Debtors-In-Possession

Exhibit AExecutory Contracts and Unexpired Leases
with Amended Cure Amounts

Debtor	Contract Counterparty	Description	Contract/Lease Title	Contract Date	Prior Cure Amount	Amended Cure Amount
SD-Missouri, LLC	1810 Wynnton Road LLC	Leases for Real Property	Lease Agreement by and between 1810 Wynnton Road LLC and SD- Missouri, LLC dated June 15, 2018.	6/15/2018	\$0.00	\$44,492.12
SD-Missouri, LLC	Annette P. and Joe Maciane, Jr.	Leases for Real Property	Lease Agreement by and between Annette P. and Joe Maciane, Jr. and Boom Foods, LLC dated November 16, 2009.	11/16/2009	\$0.00	\$24,518.01
SD-Missouri, LLC	BHT Resources	Operations	6. Service Agreement between SD-Missouri, LLC and Birmingham Hide & Tallow Company, Inc. dated May 30, 2017, as amended.	7/5/2017	\$10,325.00	\$9,825.00
SD-Missouri, LLC	BTES (Bristol Tennessee Essential Services)	Utilities	4. Contract for Lighting and Power Service by and between SD-Missouri, LLC and Bristol Tennessee Essential Services dated May 31, 2017 for Location No. 1101688.	5/31/2017	\$3,587.45	\$1,713.85
SD-Missouri, LLC	BTES (Bristol Tennessee Essential Services)	Utilities	5. Contract for Lighting and Power Service by and between SD-Missouri, LLC and Bristol Tennessee Essential Services dated May 31, 2017 for Location No. 102833.	5/31/2017		
SD-Missouri, LLC	Gold Family Trust	Leases for Real Property	Lease Agreement by and between Gold Family Trust Dated June 5, 2002 and SD-Missouri, LLC dated May 23, 2008.	5/23/2018	\$0.00	\$17,877.03
SD-Charlotte, LLC; SD-Missouri, LLC; RTHT Investments, LLC	Hughes Network Systems, LLC	Information Technology	Agreement for Payment of Add-on Charges	1/9/2016	\$1,964.20	\$163.72
SD-Missouri, LLC	Lowe's Home Centers, Inc	Leases for Real Property	Deed of Ground Lease by and between Lowe's Home Centers, Inc. and Sonic Restaurants, Inc. dated January 19, 2007.	1/19/2007	\$3,606.83	\$1,367.64
SD-Missouri, LLC	Michael E. Haupt as Trustee under the Haupt Family Trust	Leases for Real Property	Lease Agreement by and between Michael E. Haupt as Trustee under the Haupt Family Trust Dated July 16, 1997 and SD-Missouri, LLC dated July 29, 2018.	7/16/1997	\$26,250.00	\$21,060.32
SD-Missouri, LLC	NADG NNN SDI-VIC (GA), LP	Leases for Real Property	Lease Agreement by and between NADG NNN SDI-VIC (GA), LP and Sd-Missouri, LLC dated May 23, 2018	5/23/2018	\$25,777.32	\$15,555.28
SD-Missouri, LLC	National Retail Properties, Inc.	Leases for Real Property	Master Unitary Lease by and between National Retail Properties, Inc. and SD-Missouri, LLC dated May 30, 2017.	5/30/2017	\$518,390.14	\$585,629.70
SD-Missouri, LLC	National Retail Properties, LP	Leases for Real Property	Master Unitary Lease by and between National Retail Properties, LP and SD-Missouri, LLC dated May 30, 2017.	5/30/2017		
SD-Charlotte, LLC; SD-Missouri, LLC; RTHT Investments, LLC	NuCO2	Purchasing	20. Bulk CO2 Budget Plan Agreement by and between NuCO2 LLC and SSD Holdings, LLC dated April 24, 2009 as amended.	4/24/2009	\$45,483.45	\$45,281.80
SD-Charlotte, LLC	Peter Hanny Brenn Separate Property Trust	Leases for Real Property	Lease Agreement by and between Peter Hanny Brenn Separate Property Trust and SDMissouri,	1/11/2019	\$19,125.00	\$14,068.97
SD-Missouri, LLC	Roger William and Rebecca M. Atkinson as Trustees of the Roger and Rebecca Atkinson Family Trust	Leases for Real Property	Lease Agreement by and between Roger William and Rebecca M. Atkinson as Trustees of the Roger and Rebecca Atkinson Family Trust and SD-Missouri, LLC dated December 10, 2018.	12/10/2018	\$0.00	\$8,589.07
SD-Charlotte, LLC	Sonic Industries Inc.	Franchise Agreements	Sonic Industries Inc. Number 6A License Agreement by and between Sonic Industries LLC as successor in interest to Sonic Industries Inc. and SDI of Pigeon Forge LLC dated May 11, 2006.	3/1/2016	\$4,290,609.36	\$4,455,161.12
SD-Charlotte, LLC	Sonic Industries LLC	Franchise Agreements	All those certain License Agreements by and between SD-Charlotte, LLC, as licensee, and Sonic Industries LLC, as licensor, more particularly described in that certain Transfer, Guaranty and Ownership Restriction Agreement by and among Boom #1, LLC, Boom #2, LLC, Boom #3, LLC, Boom #4, LLC, Boom #6, LLC, Boom #8, LLC, Boom #10, LLC, BRH Enterprises, LLC, Coleman Bradley, Jr., SD-Charlotte, LLC, Yaron Goldman, and Sonic Industries LLC dated December 8, 2017.	5/30/2017		
SD-Missouri, LLC	Sonic Industries LLC	Franchise Agreements	All those certain License Agreements by and between SD-Missouri, LLC, as licensee, and Sonic Industries LLC and Sonic Franchising LLC, as applicable, as licensor, more particularly described in that certain Transfer, Guaranty, and Ownership Restriction Agreement by and among Boom Foods, LLC, Jerre O. Pierson, III, Michael Border, Timothy Morrison, Boom Holdings, Inc., SD-Missouri, LLC, Yaron P. Goldman, Sonic Industries LLC and Sonic Franchising LLC dated May 30, 2017.	5/30/2017		

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Debtor	Contract Counterparty	Description	Contract/Lease Title	Contract Date	Prior Cure Amount	Amended Cure Amount
SD-Charlotte, LLC	Sonic Industries LLC	Franchise Agreements	Sonic Industries LLC Number 6A License Agreement by and between Sonic Industries LLC and SDI of Seymour, LLC dated July 2, 2007.	3/1/2016		
SD-Missouri, LLC	Spirit Master Funding, LLC	Leases for Real Property	Rent Lease Agreement by and between Spirit Master Funding, LLC and SDI of Bristol, Tennessee, L.C. dated March 15, 1991 as amended March 15, 1996 and March 30, 2009.	3/30/2009	\$58,495.82	\$146,076.87
SD-Missouri, LLC	Spirit Master Funding, LLC	Leases for Real Property	Rent Lease Agreement by and between Spirit Master Funding, LLC and SDI of Christiansburg Virginia, L.C. dated November 1, 1994 as amended March 15, 1996 and March 30, 2009.	3/30/2009		
SD-Missouri, LLC	Spirit Master Funding, LLC	Leases for Real Property	Rent Lease Agreement by and between Spirit Master Funding, LLC and SDI of Elizabethton, Tennessee L.C. dated June 1, 1993 as amended March 15, 1996 and March 30, 2009	3/30/2009		
SD-Missouri, LLC	Spirit Master Funding, LLC	Leases for Real Property	Rent Lease Agreement by and between Spirit Master Funding, LLC and SDI of Knoxville, Tennessee (Broadway), L.C. dated March 24, 1995 as amended March 15, 1996 and March 30, 2009.	3/30/2009		
SD-Missouri, LLC	Spirit Master Funding, LLC	Leases for Real Property	Rent Lease Agreement by and between Spirit Master Funding, LLC and SDI of Paluski, Virginia, L.C. dated October 15, 1993 as amended March 15, 1996 and March 30, 2009	3/30/2009		
SD-Missouri, LLC	Spirit Master Funding, LLC	Leases for Real Property	Rent Lease Agreement by and between Spirit Master Funding, LLC and SDI of Radford, Virginia, L.C. dated November 1, 1995 as amended March 15, 1996 and March 30, 2009.	3/30/2009		
SD-Missouri, LLC	Spirit Master Funding, LLC	Leases for Real Property	Rent Lease Agreement by and between Spirit Master Funding, LLC and SDI of Wytheville, Virginia, L.C. dated June 21, 1995 as amended March 15, 1996 and March 30, 2009.	3/30/2009		
SD-Charlotte, LLC	Store Master Funding III, LLC	Leases for Real Property	Master Lease Agreement by and between Store Master Funding III, LLC and Boom Holdings, LLC dated February 27, 2013.	2/27/2013	\$10,768.35	\$146,418.19
SD-Missouri, LLC	Vasilio & Eleni Gatsios	Leases for Real Property	Lease Agreement by and between Vasilio & Eleni Gatsios and SD-Missouri, LLC dated May 29, 2018.	5/29/2018	\$13,552.00	\$8,177.93
SD-Missouri, LLC	Włodzimierz Szpikowski	Leases for Real Property	Deed of Lease Agreement by and between Włodzimierz Szpikowski and SD-Missouri, LLC dated January 1, 2019	1/17/2019	\$11,998.84	\$11,161.96